

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

BEFORE THE INDIANA
COMMISSIONER OF INSURANCE

CAUSE NO.: 18984-AG20-0130-024

IN THE MATTER OF:)

Richard E. Schroeder)
P.O. Box 363,)
Three Oaks, MI 49128)

Respondent.)

License Number: 252688N)

Type of Agency Action: Enforcement)

FILED

AUG 20 2020

STATE OF INDIANA
DEPT. OF INSURANCE

FINAL ORDER

On July 22, 2020, the Administrative Law Judge, Reuben B. Hill, filed his Findings of Fact, Conclusions of Law and Recommended Order in the above-captioned matter.

1. The Department served Findings of Fact, Conclusions of law, and Recommended Order on Respondent by mailing the same to his address of record.

2. The Department has complied with the notice requirements of Ind. Code §4-21.5-3-17.

3. Neither party has filed an objection with the Commissioner regarding the Administrative Law Judge's Findings of Fact, Conclusions of Law and Recommended Order, and more than eighteen (18) days have elapsed.

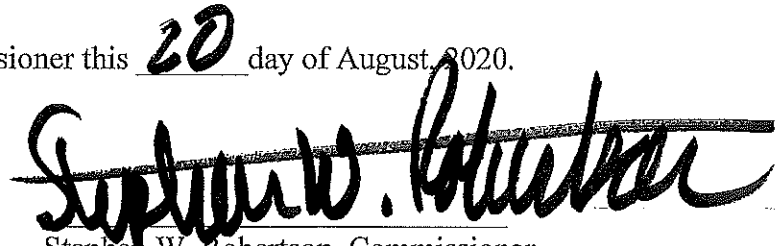
Therefore, the Commissioner of Insurance, being fully advised, now hereby adopts in full the Administrative Law Judge's Findings of Fact, Conclusions of Law, and Recommended Order and issues the following Final Order:

IT IS THEREFORE ORDERED by the Commissioner of Insurance:

1. Non-Renewal of Respondent's Non-Resident Producer License under License Number 252688N is AFFIRMED.

Under Ind. Code §4-21.5-5-5, Respondent has the right to appeal this Final Order by filing a petition for Judicial review in the appropriate court within thirty (30) days.

ALL OF WHICH IS ORDERED by the Commissioner this 20 day of August, 2020.


Stephen W. Robertson, Commissioner
Indiana Department of Insurance

Copies to:

Richard E. Schroeder
P.O. Box 363,
Three Oaks, MI 49128

Victoria Hastings, Attorney
Indiana Department of Insurance
311 W. Washington St., Suite 103
Indianapolis, IN 46204

STATE OF INDIANA)
COUNTY OF MARION)

BEFORE THE INDIANA
COMMISSIONER OF INSURANCE

IN THE MATTER OF:)

Richard E. Schroeder)
P.O. Box 363)
Three Oaks, MI 49128)

Respondent.)

Type of Agency Action: Enforcement)

License Number 252688N)

CAUSE NO.: 18984-AG20-0130-024

FILED

JUL 22 2020

STATE OF INDIANA
DEPT. OF INSURANCE

**FINDINGS OF FACT, CONCLUSIONS OF LAW
AND RECOMMENDED ORDER**

Administrative Law Judge Reuben B. Hill ("ALJ"), having heard, reviewed and considered all of the evidence, now renders a decision concerning the matter of Robert E. Schroeder ("Respondent"). This matter came on to be heard by the ALJ on May 18, 2020, at 10:00 a.m. via audio conferencing at the Indiana Department of Insurance at 311 West Washington Street, Indianapolis, Indiana.

The Enforcement Division of the Indiana Department of Insurance ("Department") was represented by counsel, Victoria Hastings. Respondent appeared telephonically and without counsel. Testimony was heard, and exhibits were received into evidence.

Based upon the evidence presented at said hearing, the ALJ now makes the following Findings of Fact, Conclusions of Law, and issues his Recommended Order.

FINDINGS OF FACT

1. Respondent has been a licensed Non-Resident Insurance Producer in the State of Indiana since August 21, 1995. (Hearing Transcript, p. 9)
2. Respondent submitted an application to renew his license on or about December 13, 2019. (Hearing Transcript, p. 27, 41)
3. The Commissioner entered his Administrative Order and Notice of Non-Renewal of License on February 21, 2020, Non-Renewing Respondent's Non-Resident Producer License due to Respondent's failure to timely report two (2) administrative actions to the Department.
4. On or about January 29, 2018, the Michigan Department of Licensing and Regulatory Affairs, Corporations, Securities & Commercial Licensing Bureau issued a Cease and Desist Order against Respondent from offering and selling unregistered securities, and from acting as an unregistered agent for Woodbridge Mortgage Investment Fund 3A, LLC ("Woodbridge"). (Department's Exhibit 1)
5. Respondent was not registered or exempt from registration as an agent pursuant to the Securities Act in Michigan. (Department's Exhibit 1)
6. None of the Woodbridge securities were federally covered, registered, or exempt from registration. (Department's Exhibit 1)

7. Respondent offered or sold Woodbridge securities in the form of notes on five (5) occasions. (Department's Exhibit 1)
8. Woodbridge paid Respondent Eight Thousand One Hundred Sixty Dollars (\$8,160) in commissions to represent Woodbridge in marketing, offering, and selling the securities. (Department's Exhibit 1)
9. Woodbridge is an alleged One Billion Two Hundred Million Dollars (\$1,200,000,000) Ponzi scheme. (Hearing Transcript, p. 18-19)
10. Respondent was still a licensed Non-Resident Producer in Indiana at the time of the January 29, 2018 administrative action. (Hearing Transcript, p. 27)
11. Thirty (30) days after January 29, 2018, would have been on or around February 28, 2018. (Hearing Transcript, 27)
12. Respondent did not notify the Department about this administrative action within the thirty (30) days from the final disposition of the January 29, 2018 administrative action. (Hearing Transcript, p. 27-28)
13. Respondent did not report the January 29, 2018 administrative action from Michigan to the Department until December 13, 2019, which was approximately two (2) years later. (Hearing Transcript, p. 27-28)
14. Respondent was involved in a second administrative action from Michigan on or about March 8, 2018, wherein Respondent was ordered to pay a civil penalty in the amount of Eight Thousand One Hundred Sixty (\$8,160). (Hearing Transcript, p. 29-30)

15. The Eight Thousand One Hundred Sixty Dollars (\$8,160) civil penalty represented the amount that Woodbridge had paid Respondent in commissions to represent Woodbridge in marketing, offering, and selling the securities. (Department's Exhibit 1)
16. Respondent was still licensed as a Non-Resident Insurance Producer in Indiana at the time of the March 8, 2018 administrative action. (Hearing Transcript, p. 27)
17. Thirty (30) days after March 8, 2018, would have been on or around April 8, 2018. (Hearing Transcript, p. 30)
18. Respondent did not notify the Department about this administrative action within the thirty (30) days from the final disposition of the March 8, 2018 administrative action. (Hearing Transcript, p. 30)
19. Respondent did not report the March 8, 2018 administrative action from Michigan to the Department until December 13, 2019, approximately a year and nine (9) months later. (Hearing Transcript, p. 30)
20. The Department admitted one (1) exhibit at the hearing. The Department's Exhibit A was a recommendation letter.
21. Respondent admitted one (1) exhibit at the hearing. Respondent's Exhibit A was a recommendation letter.
22. Conclusions of Law that can be adopted as Findings of Fact are hereby incorporated herein as such.

CONCLUSIONS OF LAW

1. The Commissioner of the Indiana Department of Insurance ("Commissioner") has jurisdiction over both the subject matter and the parties to this action.
2. This hearing was held in compliance with the Administrative Orders and Procedures Act of the Indiana Code.
3. Indiana Code 27-1-15.6-12(b) states that the Commissioner may refuse to renew an Insurance Producer License, due to a number of factors.
4. Indiana Code 27-1-15.6 -12(b)(2)(A) allows the Commissioner to refuse to renew an Insurance Producer License for violating an insurance law.
5. Indiana Code 27-1-15.6-17(a) is an insurance law, that states, in part, that a producer shall report to the Commissioner any administrative action taken against the producer in another jurisdiction or by another governmental agency in Indiana not more than thirty (30) days after the final disposition of the matter.
6. Respondent was involved in two (2) administrative actions in early 2018 and failed to notify the Department about those administrative actions within the thirty (30) days from the final disposition for each action. Respondent did not notify the Department about those administrative actions until December of 2019, violating Indiana Codes 27-1-15.6-12(b)(2)(A) and 27-1-15.6-17(a)
7. Indiana Code 4-21.5-3-14(c) states that the person requesting an agency take action has the burden of persuasion and the burden of going forward. Respondent is requesting that

the Department renew his Non-Resident Producer License, and therefore, bears the burden.

8. Pursuant to Indiana Code 27-1-15.6-12(d), a hearing was held to determine the reasonableness of the Commissioner's decision. Respondent failed to meet his burden of proving the Commissioner's decision was unreasonable.
9. Findings of Fact that can be adopted as Conclusions of Law are hereby incorporated herein as such.

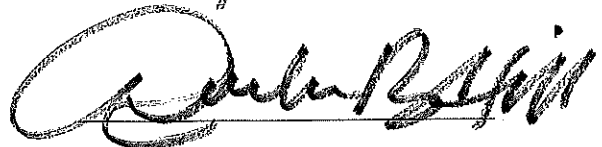
RECOMMENDED ORDER

IT IS THEREFORE RECOMMENDED:

In consideration of the foregoing Findings of Fact and the Conclusions of Law as stated, the Administrative Law Judge now recommends to the **Commissioner of Insurance** the following:

1. The Non-Renewal of Respondent's Non-Resident Producer License under License Number 252688N shall be **AFFIRMED**.

ALL OF WHICH IS ADOPTED by the Administrative Law Judge and recommended to the Commissioner of Insurance this 22nd day of July, 2020.



Reuben B. Hill, Esq.
Administrative Law Judge

Distribution:

Richard E. Schroeder
P.O. Box 363
Three Oaks, MI 49128

Victoria Hastings, Attorney
Indiana Department of Insurance
311 W. Washington St., Suite 103
Indianapolis, Indiana 46204

STATE OF INDIANA)
COUNTY OF MARION)

SS:

BEFORE THE INDIANA
COMMISSIONER OF INSURANCE

CAUSE NUMBER: 18984-AG20-0130-024

IN THE MATTER OF:

Richard E. Schroeder
P.O. Box 363
Three Oks, MI 49128

Respondent.

Type of Agency Action: Enforcement

License Number: 252688N

FILED

JUL 22 2020

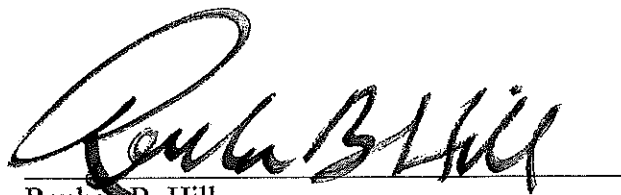
STATE OF INDIANA
DEPT. OF INSURANCE

NOTICE OF FILING OF RECOMMENDED ORDER

The parties of this action are hereby notified that the Administrative Law Judge's
Recommended Order is filed as of this date.

To preserve an objection to this order for judicial review, the Parties must object to the
order in a writing that: 1) Identifies the basis for the objection with reasonable particularity; and
2) Is filed with the ultimate authority for the Final Order, the Commissioner of the Department of
Insurance within eighteen (18) days from the date of this Order.

DATED: 7/22/20


Reuben B. Hill
Administrative Law Judge

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

BEFORE THE INDIANA
COMMISSIONER OF INSURANCE

CAUSE NO.: 18984-AG20-0130-024

IN THE MATTER OF:)

Richard E. Schroeder)
P.O. Box 363,)
Three Oaks, MI 49128)

Respondent.)

License Number: 252688N)

Type of Agency Action: Enforcement)

FILED

JUN 19 2020

**STATE OF INDIANA
DEPT. OF INSURANCE**

**PROPOSED FINDINGS OF FACT, CONCLUSIONS OF LAW
AND RECOMMENDED ORDER**

Administrative Law Judge ("ALJ") Reuben Hill, having considered and reviewed all of the evidence, will now render a decision in the matter of Robert E. Schroeder ("Respondent"). This matter came to be heard by the ALJ on May 18, 2020, at 10:00 a.m. via audio conferencing at the Indiana Department of Insurance, 311 West Washington Street, Indianapolis, Indiana.

The Enforcement Division of the Indiana Department of Insurance ("Department") was represented by counsel, Victoria Hastings. Respondent appeared telephonically and without counsel. Testimony was heard, and exhibits were received into evidence.

Based upon the evidence presented at said hearing, the ALJ now makes the following Findings of Fact, Conclusions of Law, and issues his Recommended Order.

FINDINGS OF FACT

1. Respondent has been a licensed nonresident insurance producer in the State of Indiana since August 21, 1995. (Hearing Transcript, p. 9)

2. Respondent submitted an application to renew his license on or about December 13, 2019. (Hearing Transcript, p. 27, 41)

3. The Commissioner entered his Administrative Order and Notice of Nonrenewal of License on February 21, 2020, non-renewing Respondent's nonresident producer license due to Respondent's failure to timely report two (2) administrative actions to the Department.

4. On or about January 29, 2018, the Michigan Department of Licensing and Regulatory Affairs, Corporations, Securities, & Commercial Licensing Bureau issued a Cease and Desist order against Respondent from offering and selling unregistered securities, and from acting as an unregistered agent for Woodbridge Mortgage Investment Fund 3A, LLC ("Woodbridge"). (Department's Exhibit 1)

5. Respondent was not registered or exempt from registration as an agent pursuant to the Securities Act in Michigan. (Department's Exhibit 1)

6. None of the Woodbridge securities were federally covered, registered, or exempt from registration. (Department's Exhibit 1)

7. Respondent offered or sold Woodbridge securities in the form of notes on five occasions. (Department's Exhibit 1)

8. Woodbridge paid Respondent \$8,160 in commissions to represent Woodbridge in marketing, offering, and selling the securities. (Department's Exhibit 1)

9. Woodbridge is an alleged \$1.2 billion Ponzi scheme. (Hearing Transcript, p. 18-19)

10. Respondent was still a licensed nonresident producer in Indiana at the time of the January 29, 2018 administrative action. (Hearing Transcript, p. 27)

11. Thirty days after January 29, 2018, would have been on or around February 28, 2018. (Hearing Transcript, 27)

12. Respondent did not notify the Department about this administrative action within the thirty days from the final disposition of the January 29, 2018 administrative action. (Hearing Transcript, p. 27-28)

13. Respondent did not report the January 29, 2018 administrative action from Michigan to the Department until December 13, 2019, which was approximately two years later. (Hearing Transcript, p. 27-28)

14. Respondent was involved in a second administrative action from Michigan on or about March 8, 2018, wherein Respondent was ordered to pay a civil penalty in the amount of \$8,160. (Hearing Transcript, p. 29-30)

15. The \$8,160 civil penalty represented the amount that Woodbridge had paid Respondent in commissions to represent Woodbridge in marketing, offering, and selling the securities. (Department's Exhibit 1)

16. Respondent was still licensed as a nonresident insurance producer in Indiana at the time of the March 8, 2018 administrative action. (Hearing Transcript, p. 27)

17. Thirty days after March 8, 2018, would have been on or around April 8, 2018. (Hearing Transcript, p. 30)

18. Respondent did not notify the Department about this administrative action within the thirty days from the final disposition of the March 8, 2018 administrative action. (Hearing Transcript, p. 30)

19. Respondent did not report the March 8, 2018 administrative action from Michigan to the Department until December 13, 2019, approximately a year and nine months later. (Hearing Transcript, p. 30)

20. The Department admitted one (1) exhibit at the hearing. The Department's Exhibit 1 was Respondent's administrative action from January 29, 2018.

21. Respondent admitted one (1) exhibit at the hearing. Respondent's Exhibit A was a recommendation letter.

22. Conclusions of Law that can be adopted as Findings of Fact are hereby incorporated herein as such.

CONCLUSIONS OF LAW

1. The Commissioner of the Indiana Department of Insurance ("Commissioner") has jurisdiction over both the subject matter and the parties to this action.

2. This hearing was held in compliance with the Administrative Orders and Procedures Act of the Indiana Code.

3. Indiana Code § 27-1-15.6-12(b) states that the Commissioner may refuse to renew an insurance producer license, due to a number of factors.

4. Indiana Code § 27-1-15.6-12(b)(2)(A) allows the Commissioner to refuse to renew an insurance producer's license for violating an insurance law.

5. Indiana Code § 27-1-15.6-17(a) is an insurance law, that states, in part, that a producer shall report to the Commissioner any administrative action taken against the producer in another jurisdiction or by another governmental agency in Indiana not more than thirty (30) days after the final disposition the matter.

6. Respondent was involved in two administrative actions in early 2018, and failed to notify the Department about those administrative actions within the thirty days from the final disposition for each action; Respondent did not notify the Department about those administrative actions until December of 2019, violating Indiana Codes §§ 27-1-15.6-12(b)(2)(A) and 27-1-15.6-17(a).

7. Indiana Code § 4-21.5-3-14(c) states that the person requesting an agency take action has the burden of persuasion and the burden of going forward. Here, Respondent is requesting that the Department renew his nonresident producer license, and therefore, bears the burden.

8. Pursuant to Indiana Code § 27-1-15.6-12(d), a hearing was held to determine the reasonableness of the Commissioner's decision. Respondent failed to meet his burden of proving the Commissioner's decision was unreasonable.

9. Findings of Fact that can be adopted as Conclusions of Law are hereby incorporated herein as such.

RECOMMENDED ORDER

With the Findings of Fact and the Conclusions of Law as stated, the Administrative Law Judge now recommends to the Commissioner the following:

1. The nonrenewal of Respondent's nonresident producer license under license number 252688N shall be AFFIRMED.

ALL OF WHICH IS ADOPTED by the Administrative Law Judge and recommended to the Commissioner this _____ day of _____, 2020.

Reuben Hill
Administrative Law Judge

Distribution:

Richard E. Schroeder
P.O. Box 363,
Three Oaks, MI 49128

Victoria Hastings, Attorney
Indiana Department of Insurance
311 W. Washington St., Suite 103
Indianapolis, IN 46204

STATE OF INDIANA)
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BEFORE THE INDIANA
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CAUSE NO: 18984-AG20-0130-024

IN THE MATTER OF:)

Richard E. Schroeder)
P.O. Box 363,)
Three Oaks, MI 49128)

Respondent.)

Type of Agency Action: Enforcement)

License Number: 252688N)

FILED

FEB 21 2020

STATE OF INDIANA
DEPT. OF INSURANCE

ADMINISTRATIVE ORDER
NOTICE OF NONRENEWAL OF LICENSE

The Indiana Department of Insurance ("Department"), pursuant to the Indiana Administrative Orders and Procedures Act, Indiana Code § 4-21.5-1 *et seq.*, and Indiana Code § 27-1-15.6-12, hereby gives notice to Richard E. Schroeder ("Respondent") of the following Administrative Order:

1. Respondent is a licensed nonresident insurance producer holding license number 252688N ("Respondent's license") since August 21, 1995.
2. Respondent's license expired on December 31, 2019.
3. On January 29, 2018, the State of Michigan Department of Licensing and Regulatory Affairs, Corporations, Securities & Commercial Licensing Bureau issued a Cease and Desist against Respondent from offering and selling unregistered securities, and from acting as an unregistered agent for Woodbridge Mortgage Investment Fund 3A, LLC; also known as Woodbridge Wealth.

4. On or around March 8, 2018, Respondent signed a Consent Agreement & Order and agreed to pay a civil fine in the amount of eight thousand one hundred sixty dollars (\$8,160) for all compensation received for offering a non-registered security in violation of the Michigan Uniform Securities Act (2002).
5. On December 13, 2019, Respondent self-reported the aforementioned administrative action taken against him by the State of Michigan.
6. Indiana Code § 27-1-15.6-12(b)(2)(A) states, in part, that the Commissioner may refuse to renew an insurance producer's license for violating an insurance law.
7. Indiana Code § 27-1-15.6-17(a) is an insurance law, which states, in part, that a producer shall report to the Commissioner any administrative action taken against the producer in another jurisdiction not more than thirty (30) days after final disposition of the matter.
8. Indiana Code § 27-1-15.6-12(b)(8) states, in part, that the Commissioner may refuse to renew an insurance producer license for using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in Indiana or elsewhere.
9. Indiana Code § 27-1-15.6-12(d) requires the Commissioner to notify a licensee of the reason for the nonrenewal of his license. This Order serves as that notice.
10. The Commissioner further notifies Respondent that, pursuant to Indiana Code § 27-1-15.6-12(d), Respondent may, within sixty-three (63) days of the mailing of this Order, make a written demand upon the Commissioner for a hearing to determine the reasonableness of this action. Such a hearing shall be held within thirty (30) days from the date of receipt of Respondent's written demand.

WHEREFORE, based on the foregoing, the Commissioner of Insurance hereby notifies Respondent that **Respondent's license shall not be renewed** due to Respondent's administrative action, and for Respondent's failure to timely report the administrative action to the Department.

2-21-2020
Date Signed


Stephen W. Robertson, Commissioner
Indiana Department of Insurance

Distribution:

Richard E. Schroeder
P.O. Box 363,
Three Oaks, MI 49128

Victoria Hastings, Attorney
ATTN: Steven A. Embree, Investigator
Indiana Department of Insurance
311 W Washington St., Suite 103
Indianapolis, IN 46204-2787